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河南金馬能源股份有限公司

HENAN JINMA ENERGY COMPANY LIMITED

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6885)

CONTINUING CONNECTED TRANSACTIONS

BACKGROUND

Reference is made to the announcement of the Company dated 28 April 2025 in relation to the 2025 Framework Agreement entered into between the Company and Xinyang Co, in respect of the Group's procurement of coal from and sale of coke (as well as the by-products, namely electricity and sulfuric acid) to the Xinyang Group, from 28 April 2025 to 31 December 2025.

As the Group and the Xinyang Group intend to explore an alternative mode of cooperation, the Company and Xinyang Co entered into the 2025 Framework Agreement on 28 April 2025 for a term from 28 April 2025 to 31 December 2025. Pursuant to the 2025 Framework Agreement, the Group shall process coal to produce coke in accordance with the product specifications set by the Xinyang Group, and sell the aforesaid coke (as well as the by-products, namely electricity and sulfuric acid) to the Xinyang Group. The coal could be supplied by the Xinyang Group, and guidance could also be given by the Xinyang Group to the Group in respect of the processing of coal to produce coke.

Following several months of exploration and implementation of the 2025 Framework Agreement, the Group and Xinyang Group intend to renew this agreement, and entered into the 2026 Framework Agreement on 31 December 2025.

LISTING RULES IMPLICATIONS

The Company and Xinyang Co are shareholders of Xinyang Jingang with a 70% and 30% equity interest, respectively. As such, Xinyang Co is a connected person of the Company. Accordingly, the transactions contemplated under the 2026 Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

2026 Framework Agreement involves the Group's procurement of coal from and sale of coke to Xinyang Group, pursuant to the Listing Rules, the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of each of the Cap set for (i) the purchase of coal by the Group from the Xinyang Group and (ii) the sale of Products by the Group to the Xinyang Group, exceeds 5%. However, as (i) Xinyang Co is a connected person of the Company at the subsidiary level under the Listing Rules, (ii) the Board has approved the 2026 Framework Agreement and the transactions contemplated thereunder, and (iii) the Directors (including the independent non-executive Directors) have confirmed that the terms of the 2026 Framework Agreement are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, the 2026 Framework and the transactions contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

BACKGROUND

Reference is made to the Group's plan to explore an alternative cooperation model with Xinyang Group. The Company and Xinyang Co entered into the 2025 Framework Agreement on 28 April 2025 for a term from 28 April 2025 to 31 December 2025. Pursuant to the 2025 Framework Agreement, the Group shall process coal to produce coke in accordance with the product specifications set by the Xinyang Group, and sell the aforesaid coke (as well as the by-products, namely electricity and sulfuric acid) to the Xinyang Group. The coal could be supplied by the Xinyang Group, and guidance could also be given by the Xinyang Group to the Group in respect of the processing of coal to produce coke.

Following several months of exploration and implementation of the 2025 Framework Agreement, the Group and Xinyang Group intend to renew this agreement, and entered into the 2026 Framework Agreement on 31 December 2025.

THE 2026 FRAMEWORK AGREEMENT

A summary of the principal terms of the 2026 Framework Agreements is set out below:

Date : 31 December 2025

Parties : (i) The Company

(ii) Xinyang Co

Term : 1 January 2026 to 31 December 2026 (both days inclusive)

Subject matter : The parties to the 2026 Framework Agreement have agreed as follows:

(i) the Group purchases coal from the Xinyang Group;

(ii) the Group shall process the coal and produce coke (as well as electricity and sulfuric acid as by-products) (collectively, the "**Products**") in accordance with the product specifications specifically set by the Xinyang Group, and the Xinyang Group could offer guidance in the processing and production of the Products; and

(iii) the Group shall sell the Products to the Xinyang Group.

The Xinyang Group shall send orders (the "**Order(s)**") to the Group setting out the quantity and specifications of the required Products. If the Group decides to accept the Order, the Group shall produce the Products in the manner as stated in (ii) above and sell the Products to the Xinyang Group accordingly.

Pricing policy : Pursuant to the 2026 Framework Agreement, the pricing of coal and the pricing of the Products shall be determined as follows:

Purchase of coal by the Group from the Xinyang Group

(i) **In respect of coal:** the procurement department of the Group will regularly monitor the movements and trends of the futures price of coal and determine the prevailing price range based on information published by specialised online platforms, including the relevant prices, market inventory level and other information. After taking into account the specification and purchase costs of coal, the parties will determine the final price after arm's length negotiations.

Sale of Products to the Xinyang Group by the Group

(i) **In respect of coke:** the sales department of the Group will regularly monitor the movements and trends of the futures price of coke and determine the prevailing price range based on information published by specialised online platforms, including the relevant prices, market inventory level and other information, as well as the ex-factory prices recommended by the China Coking Industry Association and other coking associations in principal coke production regions. The Group will convene regular internal price analysis meetings to determine the ex-factory price of coke, after considering the aforesaid factors. After taking into account production costs, the additional processing cost associated with the product specifications specifically requested by the Xinyang Group and other costs (if applicable), the parties will determine the final price after arm's length negotiations.

(ii) **In respect of electricity:** the sales department of the Group will regularly monitor the movements and trends of the price of electricity and determine the prevailing price range based on information published by specialised online platforms, including the relevant prices and other information. The parties will determine the final price after arm's length negotiations.

(iii) **In respect of sulfuric acid:** the sales department of the Group will regularly monitor the movements and trends of the price of sulfuric acid and determine the prevailing price range based on information published by specialised online platforms, including the relevant prices, market inventory level and other information. After taking into account the specification and purchase costs of sulfuric acid, the parties will determine the final price after arm's length negotiations.

As discussed above, the prices of coal, coke, electricity and sulfuric acid are determined by the parties based on the current price range, which is set after taking into account factors such as information published on professional online platforms (including relevant prices, market inventory levels and other information).

The current market prices of coal and other relevant data are extracted from the official websites of state-owned and local coal mines. Market statistical data (such as price trends and inventory levels) are usually sourced from online information platforms including Mysteel (**www.mysteel.com**) and Steelhome (**www.steelhome.cn**). These platforms also provide coke bidding prices of steel mills, regional average coke prices and price trends. In respect of sulfuric acid, the Company generally obtains market pricing and other information through auction platforms such as the Eastcoal (**https://www.eastcoal.cn/**). In respect of electricity, the Company refers to the pricing set by State Grid for large industrial users in Henan Province to determine the current price range.

Payment terms : The transaction amounts stipulated under the 2026 Framework Agreement shall be paid on a monthly basis, in accordance with the relevant usual commercial practices.

Specific agreements : During the term of the 2026 Framework Agreement, members of the Group and members of the Xinyang Group may from time to time enter into specific agreements in accordance with the principles and provisions of the 2026 Framework Agreement. The specific agreements shall set out the specific terms for each transaction.

CAPS AND BASIS OF DETERMINATION

The Existing Transaction Caps

	For the period from 28 April 2025 to 31 December 2025 *(RMB)*
Purchase of coal by the Group from the Xinyang Group	1,600,000,000
Sale of Products to the Xinyang Group by the Group	1,822,500,000

Historical transaction amounts

In respect of (i) the purchase of coal by the Group from the Xinyang Group, and (ii) the sale of coke, electricity and sulfuric acid to the Xinyang Group by the Group, the historical transaction amounts between the Group and Xinyang Group are as follows:

	For the period from 28 April 2025 to 30 November 2025 *(RMB)*
Purchase of coal by the Group from the Xinyang Group	753,848,260
Sale of Products to the Xinyang Group by the Group	864,855,145

Transaction caps and basis of determination

Pursuant to the 2026 Framework Agreement, the relevant transaction caps ("**Cap(s)**") set for (i) the purchase of coal by the Group from the Xinyang Group and (ii) the sale of Products to the Xinyang Group by the Group, respectively are as follows:

Purchase of coal by the Group from the Xinyang Group

	For the period from 1 January 2026 to 31 December 2026 *(RMB)*
Cap	1,616,400,000

Sale of Products to the Xinyang Group by the Group

	For the period from 1 January 2026 to 31 December 2026 *(RMB)*
Cap	1,842,850,000

The above Caps were determined after having taken into account the factors set out below:

(i) Historical transaction amount;

(ii) the expected demand of the Xinyang Group for the Products based on the business needs of the Xinyang Group as an iron and steel conglomerate in Henan Province;

(iii) the existing coke production capacity of the Group; and

(iv) the pricing policy set out in the 2026 Framework Agreement, in particular, the expected price trend of coal, coke, electricity and sulfuric acid.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026 FRAMEWORK AGREEMENT

The Group is a leading coke producer and processor of coking by-products in the coking chemical industry in Henan Province, the PRC. The Group operates a vertically integrated business model along the coking chemical value chain from coke production to the processing of coking by-products into refined chemicals and energy products. Capitalising on the Group's years of operations in the coking chemical industry and the Group's long-term business relationships with coal suppliers, the Group also engages in the trading of coal, coke, LNG and nonferrous materials.

Since the formation of Xinyang Jingang (a joint venture mainly engaged in the production and sale of coke, which is owned as to 70% by the Company and 30% by Xinyang Co) in 2020, the Group has built a strategic and strong business relation with Xinyang Co and has been supplying coke to the Xinyang Group since March 2022. The new arrangement is expected to enable the Xinyang Co to have better control over the specifications of the quality of the Products produced and supplied by the Company, in particular coke which is a major raw material for Xinyang Group's operations, to ensure that such Products could fully cater the needs of Xinyang Co in its production process. Due to such change in business needs of Xinyang Co, the Company and Xinyang Co have decided to introduce this mode of cooperation and entered into the 2025 Framework Agreement on 28 April 2025. The Company considers that it will be beneficial to continue cooperating with the Xinyang Group, and considers that the transactions contemplated under the 2026 Framework Agreement will develop closer ties between the parties, which will in turn result in the generation of a stable source of income for the Group.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the 2026 Framework Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

Internal Control Measures

The Company has formulated the following internal control measures to ensure that the transactions contemplated under the 2026 Framework Agreement will be carried out in accordance with the pricing policies set out in the 2026 Framework Agreement:

Coal procurement and product sales will be managed by the pricing committee of the relevant companies under the Group. The pricing committee shall be chaired by the general manager of the company, with its members including the heads of the operations, finance, production and technology departments.

The pricing committee shall convene a meeting at the beginning of each month to determine the quantities of coal and products purchased and sold in the current month, as well as the relevant prices to be negotiated with Xinyang Co. Prior to the convening of the meeting, the operations department will prepare a data package containing market information (as specified in the pricing policies) and circulate it to all members of the pricing committee for their review and discussion at the meeting of the pricing committee. The pricing decisions made at the meeting will be documented in the minutes, which, upon execution by signature, shall be implemented by the operations department to finalize with Xinyang Co the quantities and prices of coal and products to be purchased and sold in the current month.

INFORMATION ON THE PARTIES

Information on the Group

The Group is a leading coke producer and processor of coking by-products in the coking chemical industry in Henan province, the PRC. The Group operates a vertically integrated business model along the coking chemical value chain from coke production to the processing of coking by-products into refined chemicals and energy products.

Information on Xinyang Co

Xinyang Co is a company established in the PRC with limited liability. It is principally engaged in the production and sale of pig iron, billet, rod and strip materials, and is a steel conglomerate involved in various operations including the production of iron and steel, mining, mineral separation, railway transportation, cement and energy generation and trading.

Insofar as the Directors are aware, as at the date of this announcement, Xinyang Co is held as to approximately 65.22% by He Dianzhou* (何殿洲), approximately 15.84% by Henan Hengchang Trading Co., Ltd.* (河南省恒昌商貿有限公司) (which is in turn ultimately held by Liang Junsheng* (梁俊生) and Zhao Lili* (趙麗麗) as to 85% and 15%, respectively), and approximately 8.57% by Anyang Steel Group Co., Ltd.* (安陽鋼鐵集團有限責任公司) (which is in turn ultimately wholly owned by Henan Province State-owned Assets Supervision and Administration Commission (河南省人民政府國有資產監督管理委員會)). The remaining interest of approximately 10.37% in Xinyang Co is held by seven other individuals. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, all the above equity holders and their ultimate beneficial owner(s) are Independent Third Parties.

LISTING RULES IMPLICATIONS

The Company and Xinyang Co are shareholders of Xinyang Jingang with a 70% and 30% equity interest, respectively. As such, Xinyang Co is a connected person of the Company. Accordingly, the transactions contemplated under the 2026 Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the 2026 Framework Agreement involves the Group's procurement of coal from and sale of coke to Xinyang Group, pursuant to the Listing Rules, the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of each of the Cap set for (i) the purchase of coal by the Group from the Xinyang Group and (ii) the sale of Products by the Group to the Xinyang Group, exceeds 5%. However, as (i) Xinyang Co is a connected person of the Company at the subsidiary level under the Listing Rules, (ii) the Board has approved the 2026 Framework Agreement and the transactions contemplated thereunder, and (iii) the Directors (including the independent non-executive Directors) have confirmed that the terms of the 2026 Framework Agreement are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, the 2026 Framework and the transactions contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

None of the Directors had any material interest in the 2026 Framework Agreement and the transactions contemplated thereunder, and hence no Director had abstained from voting on the relevant Board resolutions.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"2025 Framework Agreement"	the framework agreement dated 28 April 2025 entered into between the Company and Xinyang Co, details of which are set out in the section headed "The 2025 Framework Agreement" in the announcement dated 28 April 2025
"2026 Framework Agreement"	the framework agreement dated 31 December 2025 entered into between the Company and Xinyang Co, details of which are set out in the section headed "The 2026 Framework Agreement" in this announcement
"Board"	the board of Directors
"Cap(s)"	has the meaning ascribed to it under the section headed "Caps and Basis of Determination – Transaction caps and basis of determination" in this announcement
"Company"	河南金馬能源股份有限公司(Henan Jinma Energy Company Limited), a company established in the PRC with limited liability
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Independent Third Party(ies)"	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, supervisors, chief executive and substantial shareholders of the Company or any of its subsidiaries or their respective associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Order(s)"	has the meaning ascribed to it under the section headed "The 2026 Framework Agreement – Subject matter" in this announcement
"PRC"	the People's Republic of China
"Products"	has the meaning ascribed to it under the section headed "The 2026 Framework Agreement – Subject matter" in this announcement

"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Xinyang Co"	安鋼集團信陽鋼鐵有限責任公司(Angang Group Xinyang Steel Co., Ltd.*), a limited company incorporated in Henan Province, the PRC
"Xinyang Group"	Xinyang Co and its associates
"Xinyang Jingang"	信陽鋼鐵金港能源有限公司(Xinyang Steel Jingang Energy Co., Ltd.*), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company
"%"	per cent

* *For identification purposes only*

By order of the Board
Henan Jinma Energy Company Limited
Yiu Chiu Fai
Chairman

Hong Kong, 31 December 2025

As at the date of this announcement, the executive directors of the Company are Mr. XU Huaping and Mr. WANG Lijie; the non-executive directors of the Company are Mr. YIU Chiu Fai, Mr. XU Fenglei, Ms. WAN Tingting and Ms. YE Ting; and the independent non-executive directors of the Company are Mr. SU Jiangang, Mr. ZHANG Xicheng and Mr. MAN Kwok Leung.